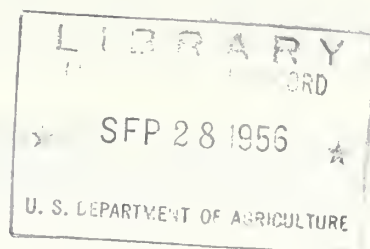


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July 1956



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Notes on

The Agricultural Economies of 17 European Countries

x

x U.S. Foreign Agricultural Service x

UNITED STATES DEPARTMENT OF AGRICULTURE

Contents

| | Page |
|---------------------------|------|
| Austria..... | 1 |
| Belgium..... | 3 |
| Denmark..... | 5 |
| Finland..... | 7 |
| France..... | 9 |
| West Germany..... | 11 |
| Greece..... | 13 |
| Ireland..... | 15 |
| Italy..... | 17 |
| Netherlands..... | 19 |
| Norway..... | 21 |
| Continental Portugal..... | 23 |
| Spain..... | 25 |
| Sweden..... | 27 |
| Switzerland..... | 29 |
| United Kingdom..... | 31 |
| Yugoslavia..... | 33 |

The notes on these countries, which deal in sharply abbreviated form with the salient features of their agricultural economies, have been prepared by the European Analysis Branch, Foreign Agricultural Service, on the basis of information available as of June 15, 1956.

1. Farm population. About one-fifth of total population of 7,000,000.
2. Land use. Total area 31,924 square miles, about the size of Maine or South Carolina. Arable land (including vineyards and orchards) 22 percent of total area; permanent meadows and pastures (including alpine grassland) 28 percent; forests 37 percent; other land 13 percent. About half the arable land is in grain.
3. Type of agriculture. General farming is predominant, with dairying the most important single source of farm income, and hog-raising next. Farms are mostly small. Mechanization of agriculture and use of fertilizer less advanced than in most countries of northwestern Europe.
4. Principal agricultural products. Milk, meat, and eggs account for about 70 percent of agricultural production. Largest crop acreages are in wheat, rye, oats, and potatoes. Potatoes in addition to being staple food are important for feed. Sugar beets also an important crop.
5. Food consumption levels. Almost 2,900 calories per person per day, only slightly below prewar. If quality of diet is considered, deficiency compared to prewar is greater, with per capita meat and milk consumption down.
6. Dependence on imports of agricultural products. About one-third of Austria's total food requirements met by imports. All cotton and almost all tobacco requirements come from abroad.
7. Trade. Fairly substantial imports of bread grain, feed grain, fats and oils, sugar, cotton, and tobacco. Much of this has been supplied by the United States since the war, although in prewar times U.S. exports to Austria were negligible. Austrian exports of agricultural products insignificant.
8. Agricultural policy. Increased agricultural production is an expressed aim of Austrian government. However, farm prices have been fixed at below world levels for most of the postwar period, in an attempt to check rise in the cost of living. At same time, fertilizers and imported feed grains have been furnished farmers at subsidized prices. The most recent wage-price revision, in July 1952, substantially increased farm price of breadgrains and milk. Simultaneously, subsidies on fertilizer and imported feed were reduced. Austrian tariffs on agricultural products are fairly high. There are also so-called "equalization funds" or agencies, for grains, livestock, and dairy products, which are empowered with regulation and pricing of imports so that predetermined domestic Austrian prices can be maintained - above or below world prices.
9. Economic situation. Doubts about the economic viability of an independent Austria have been removed by postwar development of Austrian economy. In spite of many adverse circumstances, recovery, with U.S. help, has progressed steadily since end of the war. In 1955, industrial production was more than twice the prewar level; agricultural production was above prewar in 1953, 1954 and 1955. Due to sound monetary policies and the establishment of a realistic rate

of exchange, Austria also achieved an export surplus for the first time in its history in the year July 1953 - June 1954. Gold and dollar reserves rose from 9 percent of value of imports at end of 1951 to 42 percent at end of 1954. Conclusion of the State Treaty in 1955 makes short term economic outlook obscure. Austria lost substantial source of invisible dollar earnings due to withdrawal of American forces; it has to make payments for the return of former German properties taken over by Russians after the war; and it has to find capital to invest in the returned industries. Though the trade balance showed heavy deficit in 1955, gold and dollar reserves at end of year still amounted to 37 percent of value of imports.

10. Quantitative controls on U.S. agricultural products. While in recent years Austria has liberalized a variety of agricultural products from countries belonging to the Organization for European Economic Cooperation, all such products from the dollar area were subject to quantitative restrictions until July 15, 1955. Effective that date, some imports from the United States and Canada were also liberalized, among them soybean and various other vegetable oils, hops, canned pineapple, grapefruit and peaches, certain fruit and berry juices, and lemons. Most other products of interest to U.S. agriculture remain subject to quantitative restriction. Moreover, Austria has bilateral arrangements with a large number of other countries, which work to the disadvantage of U.S. farm products.

11. U. S. - Austrian trade in 1954 and 1955.

| <u>Million Dollars</u> | | | | | |
|---------------------------------|-------------|-------------|-----------------------------------|-------------|-------------|
| <u>U. S. exports to Austria</u> | | | <u>U. S. imports from Austria</u> | | |
| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
| Grains and preparations | 5.8 | 11.8 | Cheese | .10 | .08 |
| Cotton and linters | 4.6 | 2.4 | Bakery products | .05 | .05 |
| Fats, oils, oilseeds | 3.5 | 3.4 | Beer and wine | .04 | .04 |
| Tobacco | 1.3 | 2.5 | Bristles, feathers | 3/ | .03 |
| Fruits, nuts, vegetables | 1/ | .1 | Chocolate | .02 | .02 |
| Other 2/ | 2.5 | 5.6 | Hides and skins | .02 | .01 |
| | | | Other | .07 | .08 |
| Total agricultural | 17.7 | 25.8 | Total agricultural | .30 | .31 |
| Other | 19.5 | 29.8 | Other | 28.89 | 33.80 |
| Grand total | 37.2 | 55.6 | Grand total | 29.19 | 34.11 |

1/ Less than \$500,000.

2/ Consists mostly of food for relief and charity.

3/ Less than \$5,000.

Belgium

1. Farm population. About one-seventh of total population of near 8,900,000.
2. Land use. Total area 13,000 square miles, a little larger than the state of Maryland. Of this, arable land is 33 percent (including orchards), permanent grassland 23 percent, forests 17 percent, other land 27 percent. Grain covers about 50 percent of arable land.
3. Type of agriculture. Natural conditions favor livestock raising. Most farms are very small, and extreme parcellation of land is further hindrance to efficient farming. Many small holdings belong to industrial workers and are largely operated by other family members. Very intensive cultivation, involving much labor and heavy application of fertilizers, produces outstanding crop yields per acre; very high milk yields per cow.
4. Principal agricultural products. Milk, meat and eggs account for two-thirds of value of total agricultural output. Wheat, oats, rye and barley are the important grains. Sugar beet production roughly sufficient for domestic needs. Potatoes important for food and feed.
5. Food consumption levels. About 2,900 calories per capita per day, roughly the same as prewar both quantitatively and qualitatively.
6. Dependence on imports of agricultural products. Belgium depends on imports of food to the extent of about 40 percent of its requirements. Import dependence (food) is greatest for grains and fats. All cotton and most of the tobacco consumed are imported.
7. Trade. Highly industrialized Belgium is an importer of foodstuffs and raw materials and an exporter of manufactured and semi-manufactured goods. It is among the good foreign markets for American farm products. The Netherlands is Belgium's most important trading partner, due in part to the existence of the customs union (gradually developing into a full-fledged economic union) between the Netherlands and Belgium-Luxembourg (Benelux).
8. Agricultural policy. Belgian agriculture has in the past been subject to less government control and assistance than that of European countries in general. The common Benelux tariff is moderate. However, a "directional" wheat price is supported through compulsory incorporation of domestic wheat in flour milled, and government sets "directional prices" also for milk, butter, pork and eggs. Fruit producers are assisted through controls on imports, sugar beet producers through a high tariff, and dairy farmers enjoy some limited subsidization. Protection against Dutch competition is provided through minimum price regulations concerning a number of farm products. Belgium recently passed a bill which gives government more authority to intervene in marketing, prices, and foreign trade in farm products, and which apparently is designed to further unification of Belgian and Dutch agricultural policies.
9. Economic situation. Belgium's economy is considered very sound and is operating at a high level of activity. The Belgian franc has moved closer to

convertibility than any of the other non-convertible European currencies. Gold and convertible exchange holdings are rising, and reached all-time record in April 1956. At present inflationary pressures are cause of concern, as in other Western European countries.

10. Quantitative controls on U.S. agricultural products. In the summer of 1954 Belgium-Luxembourg and the Netherlands published a common list of commodities freed from quantitative controls when imported from the dollar area, including such agricultural products as cotton, tobacco, coarse grains, canned fruits, etc. For some products, not on the free list, licenses are nevertheless granted freely. It goes without saying that commodities which are subject to protective measures as mentioned above are also subject to quantitative restrictions if imported from the United States.

11. U. S. - Belgian trade in 1954 and 1955.

Million Dollars

| <u>U. S. exports to Belgium</u> | | | <u>U. S. imports from Belgium</u> | | |
|---------------------------------|--------------|--------------|-----------------------------------|--------------|--------------|
| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
| Grains and preparations | 27.6 | 58.4 | Flax | 1.5 | 1.3 |
| Cotton and linters | 15.9 | 4.8 | Vegetables and preparations | 1.0 | .9 |
| Fats, oils, oilseeds | 15.5 | 16.3 | Nursery stock | .8 | .7 |
| Fruits, nuts, vegetables | 12.7 | 9.8 | Meat products | .7 | .6 |
| Tobacco | 5.0 | 9.2 | Gelatin, edible | .4 | .4 |
| Other | <u>8.6</u> | <u>10.6</u> | Hides and skins | .3 | .4 |
| | | | Wool | .1 | .4 |
| | | | Other | <u>1.6</u> | <u>2.0</u> |
| Total agricultural | 85.3 | 109.1 | Total agricultural | 6.4 | 6.7 |
| Other | <u>178.4</u> | <u>202.6</u> | Other | <u>185.5</u> | <u>237.2</u> |
| Grand total | <u>263.7</u> | <u>311.7</u> | Grand total | <u>191.9</u> | <u>243.9</u> |

1. Farm population. About a fourth of the total population of 4,425,000.
2. Land use. Total area 16,576 square miles, less than a third the size of Iowa. Not quite two-thirds of area is land in rotation; permanent grassland and forest area each one-tenth of total area. Of land in rotation, almost half is in grain; over a fourth in grass and green fodder; over a fifth in root crops.
3. Type of agriculture. Almost exclusively mixed farming, with major emphasis on livestock. Fairly large family farm predominates. Intensive application of manure and fertilizer has greatly increased natural fertility of soil. Most of processing and marketing of agricultural products and much of purchasing of farm requisites done cooperatively.
4. Principal agricultural products. Milk accounts for a third, hogs for a fourth, eggs for a tenth of farm income. Most crops used as feed. Enough breadgrain, sugar, vegetables produced for domestic consumption. Barley most important feed grain; both wheat and rye are important breadgrains.
5. Food consumption levels. About 3,200 calories a day, slightly below pre-war. Composition good.
6. Dependence on imports of agricultural products. With respect to foodstuffs Denmark is on export basis; the country's food production amounts to about 30 percent more than its domestic requirements. All cotton and tobacco are imported, also large quantities of oilseeds (or oilcake and oils.) In an exceptional crop year grain exports have surpassed imports. Normally grain imports are substantial.
7. Trade. A strong competitor in markets for livestock products, Denmark is one of the world's largest exporters of butter, bacon and eggs, and has sizeable surpluses of other agricultural products. United Kingdom is by far Denmark's largest market, West Germany second in importance. Soviet Union has been buying substantial amounts of butter, pork, lard and beef on and off in recent years.
8. Agricultural policy. Protectionism, resorted to in various forms during depression of 1930's, plays little part in agricultural policy at present time. There is no regulation of production, or subsidization of exports, but there are some price controls. A bonus dollar system stimulates exports to dollar area. Danish tariffs are low, but substantial share of imports is subject to licensing control, which in past was very stringent. In recent years trade with countries belonging to the Organization for European Economic Cooperation (OEEC) has been liberalized to considerable extent in conformity with OEEC program. During 1955 imports from dollar area were liberalized for commodities which account for some 40 percent of total dollar imports. Exports of farm products are centralized and handled by a series of committees. Bacon exports to United Kingdom as yet move under a long-term agreement, to be terminated September 30, 1956; long-term butter contract was terminated in fall of 1955.

9. Economic situation. Both agriculture and industry have been operating at high level of activity in the last few years. Balance of payments situation which had improved very much in 1953, became very strained during 1954. During spring of 1955 strong measures were therefore taken to restrict credit, curb consumption and reduce imports, which led to some improvement in balance of payments during second half of year, but the situation remains difficult. In 1953 Denmark for first time had an export surplus in its dollar trade. The continued relatively good dollar position is responsible for recent partial liberalization of dollar trade despite current overall balance of payments problem.

10. Quantitative controls on U.S. agricultural products. Denmark has for many years exercised quantitative control over imports of U.S. farm products by way of foreign exchange regulations and licensing. Fruits have been especially hard hit, because they have been considered luxuries. Recently cotton, tobacco, various seeds, soybeans, rice, undressed hides and skins, raisins and some less important products have been freed from control, and further liberalization may be anticipated.

11. U. S. - Danish trade in 1954 and 1955.

Million Dollars

U. S. exports to Denmark

U. S. imports from Denmark

| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
|-------------------------|-------------|-------------|------------------------|-------------|-------------|
| Grains and preparations | .5 | 5.6 | Meat products | 21.5 | 20.8 |
| Cotton and linters | 3.9 | 2.0 | Seeds, except oilseeds | 2.4 | 3.2 |
| Fats, oils, oilseeds | 4.4 | 10.1 | Dairy products | 2.1 | 2.4 |
| Tobacco, | 5.9 | 7.9 | Beer, wine | .8 | 1.0 |
| Fruits and vegetables | .2 | 1.2 | Other | <u>1.8</u> | <u>1.9</u> |
| Other | <u>4.6</u> | <u>10.6</u> | | | |
| Total agricultural | 19.5 | 37.4 | Total agricultural | 28.6 | 29.3 |
| Other | <u>26.8</u> | <u>30.4</u> | Other | <u>22.2</u> | <u>28.5</u> |
| Grand total | <u>46.3</u> | <u>67.8</u> | Grand total | <u>50.8</u> | <u>57.8</u> |

Finland

1. Farm population. About 40 percent (including forestry) of a total population of about 4,100,000.
2. Land use. Total area is 130,000 square miles, half the size of Texas. Arable land is barely 9 percent of the total, permanent meadows and pastures 2 percent, forests 69 percent, other land 20 percent. Forests, however, furnish much pasture. Of the arable land one-half is in grass and one-third in grains. Extensive regions of arable land are found only in the south and southwest of the country.
3. Type of agriculture. Natural conditions predestine Finnish agriculture for livestock farming, generally combined with forestry. Farms are small, and practically all owner-operated. The average arable land per holding is only 12 acres, but most Finnish farms include forest land. Well over half of the Finnish forest land is owned by farmers.
4. Principal agricultural products. Livestock products furnish 75 percent of farm income, dairy products alone over 50 percent. Pork production accounts for over 10 percent. Oats are the most widely grown grain, barley, wheat and rye are important too. Potatoes are grown everywhere. Sugar beet production is increasing. Cooperative processing and marketing of farm products are extensive.
5. Food consumption levels. Present food consumption in Finland is estimated at over 3,000 calories per person per day. Consumption of milk and butter is among the highest in the world, while fruit and vegetable consumption is low.
6. Dependence on imports of agricultural products. Finland has large deficits in food production. Nearly one-half of the breadgrains and three-fourths of the sugar and vegetable oils are imported. The country is roughly self-sufficient in livestock products, but imported feeds contribute to this output. A large share of the fruit consumed and all the cotton and tobacco are imported.
7. Trade. Products of the wood and woodworking industries provide 80 percent of Finnish exports, metal industries an additional 13 percent. Cheese is the only farm product exported regularly. Raw materials, machinery and transportation equipment account for 70 percent of all imports, food and beverages, etc., for 18 percent. The United Kingdom and the Soviet Union are the two most important trading partners.
8. Agricultural policy. Adverse climatic conditions and the need for increased self-sufficiency in foods in case of emergency are reasons given for Finland's high degree of agricultural protection and many-sided price and marketing policies. Tariffs, some very high, price equalization fees, quantitative restrictions through licensing of imports, state monopoly of foreign trade in grains, export subsidies and government trading are the chief means by which foreign trade in agricultural products is regulated. At times imports of essential farm products may be subsidized to keep the price down on items which affect the cost of living. To encourage production many farm products are subsidized or grown under contract at a guaranteed price. Farm

prices are regulated in accordance with an annual farm income agreement between the government and the farmers. Resettlement under the Land Acquisition Act of 1945 of the 40,000 families who left territories ceded to the Soviet Union has been a primary objective of Finnish postwar agricultural policy.

9. Economic situation. The one-sided nature of Finnish exports and heavy dependence on imported raw materials make the Finnish economy very sensitive to economic fluctuations. As an aftermath of the period of reparations payments (1945-1952) to the USSR, a high level of costs prevails, which makes it difficult for Finland to compete in foreign markets, and inflationary tendencies persist. As a long-term measure, Finland continues the industrialization and diversification of her economy. The short-term situation is characterized by careful balancing of foreign payments and attempts to build up foreign reserves. Some improvement in the balance of payments led to liberalization of a substantial share of Finnish imports, mostly raw materials, in the summer of 1955. This liberalization does not apply to imports from the dollar area, however.

10. Quantitative controls on U. S. agricultural products. All U.S. farm products are subject to quantitative control. Prospects of liberalization in the near future do not appear bright.

11. U. S. - Finnish Trade in 1954 and 1955.

Million Dollars

U. S. Exports to Finland

U. S. Imports from Finland

| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
|--------------------|-------------|-------------|--------------------|-------------|-------------|
| Tobacco | 3.5 | 3.1 | Cheese | .3 | .3 |
| Cotton and linters | 2.0 | 5.2 | Timothy seed | .1 | nil |
| Soybeans | .5 | .5 | Others | <u>.1</u> | <u>1/</u> |
| Lard and tallow | .3 | .3 | | | |
| Other 2/ | <u>.2</u> | <u>3.7</u> | | | |
| Total agricultural | 6.5 | 12.8 | Total agricultural | .5 | .3 |
| Other | <u>21.7</u> | <u>27.6</u> | Other | <u>39.1</u> | <u>43.7</u> |
| Grand total | <u>28.2</u> | <u>40.4</u> | Grand total | <u>39.6</u> | <u>44.0</u> |

1/ Less than \$50,000.

2/ Consists in large measure of food for relief and charity.

France

1. Farm population. About one-fourth of total population of some 44,000,000 (Saar included).
2. Land use. Total area 212,800 square miles, four-fifths the size of Texas, of which arable land (including vineyards and orchards) 39 percent; permanent meadows and pastures 22 percent; forests 21 percent; other land 18 percent. Grain covers 41 percent of arable land (45 percent if vineyards and orchards are excluded from arable land).
3. Type of agriculture. Mostly diversified, though France is world's largest specialized producer of wine. Farms, the majority owner-operated, are fairly large, judged by West European standards, but they are often badly fragmented. Agricultural resources have not been as intensively used in France as in the more densely populated countries of Western Europe, and there are therefore greater possibilities of expanding production.
4. Principal agricultural products. Meat, milk, poultry and eggs account for about 60 percent of value of total agricultural output. Chief grains: wheat (50 percent of total grain acreage), oats, barley. Wine a major product. Potatoes (for food and feed) and sugar beets important, also oilseeds since the war.
5. Food consumption levels. About 3,000 calories per person per day, roughly same as before war. Consumption of livestock products above prewar.
6. Dependence on imports of agricultural products. Only about 5 percent of France's total food requirements are imported, chiefly fats and oils. All of country's requirements for raw cotton and 40 percent of its tobacco requirements are supplied from abroad.
7. Trade. France is world's fourth largest importer of agricultural products, ranking close after West Germany. Agricultural imports consist chiefly of cotton, wool, fats and oils, wine, coffee, fruits and vegetables. In 1955 some 44 percent of all agricultural imports came from French overseas territories, and 24 percent of the far smaller agricultural exports went to those territories.
8. Agricultural policy. Strongly protectionist. High tariffs and quantitative controls on imports from foreign countries, though controls relaxed since spring 1954 for many products from countries belonging to the Organization for European Economic Cooperation; imports from French overseas areas virtually unrestricted. Government monopoly control for wheat and tobacco. Government-fixed prices or price-support programs for grains, sugar beets, oilseeds, wine, livestock, milk and dairy products, cider apples and pears. Direct export subsidy programs in effect for wheat, wheat flour, sugar, meat, dairy products, and wine; tax rebates and compensation deals also used to subsidize exports of a wide variety of agricultural products. In 1955 Fund for Mutual Guarantee and Orientation of Agricultural Production established, with power to stabilize markets through purchase, sale, storage, export or import operations, and to promote production adjustments in line with market possibilities. Third

Rural Investment Plan, 1957-61, to put increased stress on improving agricultural productivity so as to make French products competitive on world markets.

9. Economic situation. Basically endowed with substantial resources and facilities for production and trade, France has been beset with political instability and insufficient popular support for temporarily painful economic policy to pave way for more balanced economic development. As result, France's economic position continues precarious, despite great progress in output, consumption, and investment since war. Years 1954 and 1955 first postwar period of both price stability and rapid economic expansion. Trade balance improved, and, with continued large inflow direct and military aid, gold and foreign exchange (mainly dollar) reserves rose sharply to more than \$2 billion last quarter 1955. But outlook uncertain. Algeria has become heavy drain on French resources; dollar aid is decreasing; severe freeze damage to 1956 crops will affect trade balance adversely for months to come, and may accelerate price rise, increasing gap between French and foreign prices, which remains major obstacle to needed expansion of exports.

10. Quantitative controls on U.S. agricultural products. All dollar agricultural imports strictly controlled. General policy is to make no dollars available at official rate of exchange for U.S. farm products other than cotton and tobacco. This policy excludes U.S. fruit and many other products, except for relatively small quantities imported through compensation arrangements. When a commodity is temporarily in short supply and cannot be bought in non-dollar areas, authorization to import the necessary quantities from the U.S. may be made; but when supply is sufficient, the imports are stopped.

11. U. S. - French trade in 1954 and 1955.

Million Dollars

U. S. exports to France

U. S. imports from France

| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
|--------------------------|--------------|--------------|--------------------------|--------------|--------------|
| Cotton and linters | 107.2 | 37.6 | Wine | 9.8 | 11.3 |
| Grains and preparations | .5 | 2.2 | Fruits, nuts, vegetables | 5.2 | 4.4 |
| Tobacco | 6.1 | 4.5 | Fats and oils | 4.2 | 3.8 |
| Fruits, nuts, vegetables | 1.8 | 3.8 | Wool | 1.8 | 3.0 |
| Fats, oils, oilseeds | 5.6 | 14.4 | Cocoa | 2.0 | 2.4 |
| Other 1/ | <u>3.4</u> | <u>6.2</u> | Hides and skins | 1.3 | 1.6 |
| | | | Molasses | 2.7 | 1.4 |
| | | | Cheese | 1.4 | 1.3 |
| | | | Other | <u>6.0</u> | <u>6.4</u> |
| Total agricultural | 124.6 | 68.7 | Total agricultural | 34.4 | 35.6 |
| Other | <u>204.8</u> | <u>288.0</u> | Other | <u>123.1</u> | <u>164.9</u> |
| Grand total | <u>329.4</u> | <u>356.7</u> | Grand total | <u>157.5</u> | <u>200.5</u> |

1/ Consists in large measure of food for relief and charity.

1. Farm population. About one-eighth of total population of some 52,500,000, including Western Berlin.
2. Land use. Total area 94,700 square miles, about the size of Oregon. Thereof: arable land (including orchards and vineyards) 35 percent; permanent meadows and pastures 23 percent; forests 28 percent; other land 14 percent. Grain covers more than half the arable land.
3. Type of agriculture. Diversified. Slaughter animals in 1954-55 accounted for two-fifths of total cash receipts, milk for one-fourth, bread grains for one-eighth. Farms are predominantly family-sized, medium to small in acreage, and often badly fragmented. Mechanization on the larger units is well advanced. Fertilizer input is high.
4. Principal agricultural products. Livestock products in 1954-55 accounted for about three-fourths of the value of total agricultural output, compared to little more than one-half in 1948-49, and below three-fourths before the war. Chief grains: rye, wheat, oats, barley. Potatoes important for both food and feed. Sugar beets greatly expanded compared with prewar.
5. Consumption levels. About 2,950 calories per person per day, little short of prewar. Consumption of meat and milk still below prewar.
6. Dependence on imports of agricultural products. Imports provide one-third of calorie value of food supplies for West Germany, including Western Berlin, a proportion about the same as prewar for same territory, though population has been greatly increased by transfer of Germans from the East. All cotton and about two-thirds of tobacco consumed are imported.
7. Trade. An industrial country, West Germany trades manufactures for a good part of its food and raw material requirements. It is world's third largest importer of agricultural products, and one of American agriculture's four biggest foreign customers. Principal imports: wheat and feed grains, cotton, oils and fats, coffee, wool, tobacco. Agricultural exports are small with hops, meat products, and beer the most important items.
8. Agricultural policy. Since its currency reform in 1948, West Germany has to a large extent restored a market economy. But, while all direct regimentation of production and consumption has been abolished, agriculture continues to be protected in significant degree. Methods adopted include fixed producer prices for grains and sugar beets, flexible import controls and market regulation for grain, sugar, livestock and meat, fats and milk and dairy products; these import controls effected by government-supervised "Import and Stocking Offices," also in charge of a buffer-stocks program. There is market regulation by establishment of market areas for producers in specified regions, milk sheds, and the like; also protection for fruit and vegetables through tariffs and quantitative import restrictions. Government fixes consumer prices for sugar, milk, and butter, and maximum price for bread. A law passed in July 1955 authorized programs designed to help agriculture achieve income parity with other sectors of the economy.

9. Economic situation. West Germany continues to experience a boom in home investment, consumption and exports. Aided by stable political situation and absence of significant labor disputes, economic expansion proceeds at rapid pace. Gold and dollar reserves rose from 12 percent of the value of imports at the end of 1951 to 44 percent at the end of 1954, the proportion dropping back to 41 percent at the end of 1955, during which year imports showed the greater increase. The strong balance of payments position accounts for steps taken in recent years to free from exchange control bulk of imports from dollar area, and also has put West Germany in fore-front of countries favoring early convertibility. Fears that boom may now be getting out of hand led to adoption of anti-inflationary measures in first half 1956.

10. Quantitative controls on U.S. agricultural products. Although great numbers of dollar products have been freed from exchange controls, only a few agricultural items from the United States have been thus liberalized, notably cotton, tobacco, oilseeds, and raw fats and oils. Most other farm products remain subject to quantitative restrictions of one type or another if coming from the United States, and this in spite of fact that some of them, including oranges, raisins, canned citrus juices and concentrates, are liberalized for countries belonging to the Organization for European Economic Cooperation. Moreover, West Germany has bilateral trade agreements with many countries, often stipulating import quotas for major agricultural products - another indication that U.S. products are not receiving equal treatment.

11. U. S. - West German trade in 1954 and 1955.

Million Dollars

U. S. exports to West Germany

| | <u>1954</u> | <u>1955</u> |
|--------------------------|--------------|--------------|
| Grains and preparations | 62.5 | 61.5 |
| Cotton and linters | 88.9 | 38.1 |
| Tobacco | 26.8 | 38.0 |
| Fats, oils, oilseeds | 44.1 | 57.3 |
| Fruits, nuts, vegetables | 10.0 | 8.6 |
| Other <u>1/</u> | <u>34.5</u> | <u>38.4</u> |
| Total agricultural | 266.8 | 241.9 |
| Other | <u>216.6</u> | <u>345.2</u> |
| Grand total | <u>483.4</u> | <u>587.1</u> |

U. S. imports from West Germany

| | <u>1954</u> | <u>1955</u> |
|---------------------------|--------------|--------------|
| Meat products | 12.1 | 9.1 |
| Beer and wine | 3.0 | 3.7 |
| Bones, bristles, feathers | 3.4 | 3.4 |
| Hops | 2.3 | 1.7 |
| Cocoa and chocolate | .7 | 1.2 |
| Drugs, herbs, etc. | 1.3 | 1.1 |
| Fats and oils | 1.3 | .9 |
| Other | <u>2.8</u> | <u>2.9</u> |
| Total Agricultural | 26.9 | 24.0 |
| Other | <u>250.7</u> | <u>338.3</u> |
| Grand total | <u>277.6</u> | <u>362.3</u> |

1/ Consists in large measure of food for relief and charity.

Greece

1. Farm population. About half of total population of 8,400,000.
2. Land use. Total area 51,200 square miles, approximately same as that of *Albania*, but very mountainous. Arable land (including orchards and vineyards) about 26 percent of total area; 15 percent forests; 35-40 percent grazing land, most of it suitable only for sheep or goats; rest mostly wasteland. About three-fifths of arable land is in grains, over one-fifth in fallow.
3. Type of agriculture. Unspecialized for most part, with little integration of crop and livestock farming; but there are also many highly specialized farms where only one crop, e.g. tobacco or grapes (for currants or raisins), is grown. Farms are very small, production techniques mostly primitive.
4. Principal agricultural products. Wheat is by far most important product, olive oil second. Sheep and goats provide two-thirds of milk and half of meat produced. Tobacco is chief export; other important export crops are dried grapes and cotton.
5. Food consumption levels. About 2,550 calories per capita per day, slightly above prewar, one of lowest levels in Europe. Consumption of livestock products low; of fruit and vegetables high.
6. Dependence on imports of agricultural products. About one-eighth of Greece's food requirements imported in recent years, chiefly wheat, sugar and meat. Wheat import requirements lower than formerly as result of higher production. Also as result of large production increases, country now more than self-sufficient in cotton and rice. Greece a leading tobacco exporter.
7. Trade. Principal agricultural imports: wheat, sugar, wool. Principal agricultural exports: Oriental tobacco, dried grapes, and cotton.
8. Agricultural policy. Protective tariffs on numerous agricultural products. Quantitative restrictions on most imports and subsidies on exports abolished in 1953, following devaluation of drachma. Government supports wheat price by providing for collection of part of crop at "security" prices, and enforcing admixture of domestic wheat in flour. Prices of certain other commodities, including cotton, olive oil, figs, currants, raisins and tobacco, also supported by means of collection of part of crop at fixed prices and/or collateral loans; these measures carried out with financial assistance from Government by central cooperative organizations for commodities concerned, their activities also including processing, standardization and marketing. Major problems of Greek agriculture are small amount of land available per farmer and low productivity, resulting in underemployment and low standard of living; Government attempting to improve production techniques through more active extension service, loans for purchase of equipment, etc., and to expand areas on which intensive agriculture may be carried out, by means of drainage, flood control and irrigation.

9. Economic situation. Since 50 percent devaluation of the drachma in April 1953 Greek economy has undergone marked expansion. Agricultural and industrial production and exports at record levels. Dollar reserves highest since war, but balance of payments situation still difficult. Though basic problem of population pressure far from overcome, outlook for future appears favorable if stable government can be maintained.

10. Quantitative controls on U.S. agricultural products. Only product subject to quantitative import controls is wheat, which is still largely state-traded, but purchased principally from the United States.

11. U. S. - Greek trade in 1954 and 1955.

Million Dollars

| <u>U. S. exports to Greece</u> | | | <u>U. S. imports from Greece</u> | | |
|--------------------------------|-------------|-------------|----------------------------------|-------------|-------------|
| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
| Grains and preparations | 16.3 | 24.5 | Tobacco | 13.0 | 14.8 |
| Meat and meat products | 1.1 | 1.7 | Olives and dried figs | 1.3 | 1.3 |
| Other <u>1/</u> | <u>5.2</u> | <u>21.6</u> | Other | <u>1.5</u> | <u>1.0</u> |
| Total agricultural | 22.6 | 47.8 | Total agricultural | 15.8 | 17.1 |
| Other | <u>25.6</u> | <u>27.6</u> | Other | <u>3.1</u> | <u>4.0</u> |
| Grand total | <u>48.2</u> | <u>75.4</u> | Grand total | <u>18.9</u> | <u>21.1</u> |

1/ Consists mainly of food for relief and charity.

Ireland

1. Farm population. Nearly two-fifths of total population of about 3,000,000.
2. Land use. Total area 27,136 square miles, about half the size of Wisconsin. Arable land (including orchards) 18 percent of total area; permanent meadows and pastures (excluding rough grazings) 49 percent; woods and forests 2 percent; other 31 percent. Less than two-fifths of arable land is in grain, and more than two-fifths in rotation forage.
3. Type of agriculture. Mixed, with heavy emphasis on livestock, which supply more than three-fourths of gross value of agricultural output. Farms are predominantly owner-operated, larger than average in continental Europe, and often fragmented. Farm machinery and modern farming techniques not so widely used as in other northwest European countries.
4. Principal agricultural products. Beef cattle and other meat animals accounted for 43 percent of gross value of farm output in 1954, milk for 21 percent, poultry and eggs for 11 percent. Chief grains: oats, wheat, barley. Potatoes important for domestic use as food and feed, and for export as seed. Sugar beets also important crop.
5. Food consumption levels. About 3,400 calories per person per day, highest in Europe, and 5 percent above prewar. Grains and potatoes furnish nearly half the calories, an unusually large proportion for a northwest European country.
6. Dependence on imports of agricultural products. Net imports provide about one-seventh of calorie value of food supplies. All cotton and tobacco come from abroad.
7. Trade. By value, agricultural exports greatly exceed imports, and account for more than three-fourths of all exports. Principal agricultural imports: corn and other feedstuffs, wheat, fruits and vegetables, tea, cocoa, tobacco, wool. Agricultural exports consist chiefly of beef cattle and meat; horses, beer, wool, milk and dairy products, and eggs are also export items of some importance. Most agricultural exports go to United Kingdom.
8. Agricultural policy. Protective. Agriculture well sheltered by tariffs and quantitative restrictions on imports, and preferential treatment for exports to United Kingdom, which favors products from Ireland as well as Commonwealth countries. State trading for wheat, corn, grain sorghums, sugar, butter. Fixed guaranteed prices for wheat, and compulsory admixture domestic wheat in grist. Barley prices also fixed. Sugar beets grown under contract with Irish Sugar Company, sole processor of beets. Subsidies on creamery butter to enable creameries to pay fixed price for milk, also subsidies on butter exports. Minimum prices for cattle and sheep sent to Britain for fattening guaranteed by United Kingdom. Minimum prices for Grade A hogs delivered to Irish bacon factories guaranteed by Irish government. Fruit and vegetable prices supported by seasonal import restrictions. Potato exports handled by semi-official marketing agency.

9. Economic situation. Expansion of Irish economy is difficult because of the poverty of its natural resources and the drain on its human resources through emigration which for years has offset the natural increase in population by drawing from the economically-active age-groups. Great progress made since war in the small industrial sector. But since increases in industrial production require increases in imports of industrial equipment and raw materials, and since agriculture, the major source of exports, has been slow to develop, Ireland has had heavy trade deficit, only partly offset by invisible earnings and emigrants' remittances. After rising abruptly to postwar peak in 1951, trade deficit dropped back to levels imposing little strain on balance of payments. Another sharp rise in 1955, however, brought a substantial decrease in Irish gold and foreign exchange reserves. In order to check inflationary pressures and reduce trade deficit, government, in the spring of 1956, placed restrictions on installment buying and a special levy, ranging from 5 to 37½ percent, on imports of wide range of consumer goods.

10. Quantitative controls on U.S. agricultural products. Exchange controls on dollar products relaxed late in 1954, but permission to import still necessary. Moreover, many farm products cannot be imported and/or exported from any source except under license from Minister for Agriculture (grains, dairy products, meat, soybeans, flaxseed, etc.), Minister for Industry and Commerce (wheat flour, wheat products), or Revenue Commissioners (tobacco). Duty preferences granted to many farm products from British Commonwealth, removal of quantitative restrictions on many imports from countries belonging to the Organization for European Economic Cooperation (OEEC) in accordance with OEEC liberalization program, extension of OEEC liberalization to Spain, and continuing dollar shortage are factors tending to work to disadvantage of U.S. farm products.

11. U. S. - Irish trade in 1954 and 1955.

Million Dollars

| <u>U. S. exports to Ireland</u> | | | <u>U. S. imports from Ireland</u> | | |
|---------------------------------|-------------|-------------|-----------------------------------|-------------|-------------|
| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
| Tobacco | 10.0 | 9.1 | Live animals | .8 | 1.5 |
| Cotton and linters | 1.0 | .5 | Wool | .7 | 1.1 |
| Grains and preparations | 4.4 | 10.6 | Meat products | 1.0 | .3 |
| Fats, oils, oilseeds | 1.2 | 1.8 | Other | <u>.3</u> | <u>.4</u> |
| Fruits, nuts, vegetables | 1.2 | 2.6 | | | |
| Other | <u>1.8</u> | <u>2.7</u> | | | |
| Total agricultural | 19.6 | 27.3 | Total agricultural | 2.8 | 3.3 |
| Other | <u>7.0</u> | <u>11.0</u> | Other | <u>1.0</u> | <u>1.7</u> |
| Grand total | <u>26.6</u> | <u>38.3</u> | Grand total | <u>3.8</u> | <u>5.0</u> |

Italy

1. Farm population. About two-fifths of total population of 48,000,000.
2. Land use. Total area 116,000 square miles, about same as Arizona. Arable land (including orchards, vineyards and fallow) 52 percent of total area; permanent meadows and pastures 17 percent; forest 19 percent; other 12 percent. About half of sown area is in grains.
3. Type of agriculture. Extremely varied as to crops, methods of cultivation and types of farm enterprise, ranging from highly-commercialized and mechanized farms of Lombardy plain to technically-primitive, extensively cultivated estates of south, mostly worked by landless labor and the object of Italy's land reform program.
4. Principal agricultural products. Livestock products account for about 35 percent of value of total agricultural production. Wheat, by far most important grain, occupies over two-thirds of total grain acreage; next corn, rice. Italy is world's second largest producer of olive oil (after Spain). Fruits and vegetables are principal export crops.
5. Food consumption levels. Nearly 2,700 calories per capita per day, a little above prewar. Composition of diet also slightly better than prewar, but consumption of livestock products still low.
6. Dependence on imports of agricultural products. Little more than 5 percent of Italy's food requirements normally imported, principally meat, dairy products, wheat, fats and oils. Wheat formerly the major food import but production almost sufficient for requirements in recent years, except for durum. Cotton supplies mostly imported. Larger exports than imports of tobacco.
7. Trade. Italy is a major importer of cotton, wool and wheat; important exporter of fruit, nuts, vegetables, rice and wine.
8. Agricultural policy. Protective tariffs on numerous agricultural products. Agricultural imports subject to quantitative restrictions, except most of those from countries belonging to the Organization for European Economic Cooperation (OEEC), and a few recently liberalized from dollar area. Imports of bread-grains and tobacco are handled by government monopolies. Government fixes or supports producer prices of wheat, other small grains, rice, sugar beets, olive oil, milk, butter, cheese, hemp, and silk cocoons, and has monopoly for tobacco and bananas. For wheat government requires delivery of part of crop at fixed price, while rest is sold on free market at market prices. For most of other commodities specified, government sponsors pooling operations on voluntary basis. Problem of serious underemployment in agriculture and low standard of living of rural population has been attacked by land redistribution program, begun in 1950, and long-term investment program for Southern Italy. Ten-year economic development program (Vanoni Plan), still largely in discussion stage, is designed to overcome Italy's unemployment problem within period of ten years.

9. Economic situation. Economic conditions in Italy are good as evidenced by continued increase of industrial and agricultural production, and national income. However, per capita income is still low and little has been accomplished toward solution of basic problem of unemployment and underemployment and low standards of living of a large part of population. Balance of payments position still difficult, mainly because of continued heavy deficit with European Payments Union. Dollar reserves in 1955 at highest level since war.

10. Quantitative controls on U.S. agricultural products. Only important agricultural import from U.S. not subject to quantitative restrictions is inedible tallow, which was liberalized to dollar area in April 1956. In general, licenses for imports of U.S. agricultural products are granted only if the products are considered essential and are not available in Italy or from OEEC countries. Tendency is also to favor imports from countries with which Italy has bilateral agreements. Most wheat imports, for example, are obtained under agreements with Argentina, the Soviet Union and Turkey.

11. U. S. - Italian trade in 1954 and 1955.

Million Dollars

U. S. exports to Italy

U. S. imports from Italy

| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
|--------------------------|-------------|-------------|--------------------|-------------|-------------|
| Cotton and linters | 56.5 | 24.6 | Cheese | 10.8 | 11.6 |
| Grains and preparations | 1.0 | 8.5 | Wine | 6.7 | 7.3 |
| Fats, oils, oilseeds | 12.6 | 16.1 | Vegetables 1/ | 7.8 | 9.1 |
| Tobacco | 3.2 | 3.4 | Fats and oils | 6.3 | 5.7 |
| Fruits, nuts, vegetables | 1.5 | 1.7 | Nuts | 3.1 | 2.8 |
| Other 2/ | 16.7 | 39.5 | Wool and silk | 2.7 | 1.7 |
| | | | Tobacco | 1.8 | 1.2 |
| | | | Other | 6.1 | 7.4 |
| Total agricultural | 91.5 | 93.8 | Total agricultural | 45.3 | 46.8 |
| Other | 208.6 | 260.0 | Other | 98.5 | 130.5 |
| Grand total | 300.1 | 353.8 | Grand total | 143.8 | 177.3 |

1/ Mostly tomato products.

2/ Consists mainly of food for relief and charity.

Netherlands

1. Farm population. About one-sixth of population totaling 10,700,000.
2. Land use. Total area 13,125 square miles, a little larger than the state of Maryland, of which arable land (including truck crops, orchards, bulbs) 35 percent; permanent grassland 36 percent; forests 7 percent; other land 22 percent. Grain acreage 45 percent of arable land.
3. Type of agriculture. Dutch agriculture is highly developed and specialized, due to density of population, nearness to markets of other industrialized nations, and easy transportation by river and sea. Farms are small to medium-sized, and are generally family-operated. Dutch farmers work their land intensively and, in addition, convert imported feedstuffs into livestock products for domestic consumption and for export.
4. Principal agricultural products. Milk, meat and eggs account for about 70 percent of total agricultural production. Chief grains: rye, wheat, oats, and barley. Potatoes very important for food, feed, and starch. Sugar beets also important. Important specialties: vegetables, bulbs.
5. Food consumption levels. About 2,900 calories per person per day, quantitatively and qualitatively similar to prewar average.
6. Dependence on imports of agricultural products. Dutch food imports amount to about one-fourth of requirements. Main deficits are in grains (for food and feed), fats and protein feed. Cotton, tobacco, citrus and dried fruit are entirely imported.
7. Trade. The Netherlands is important as an importer, processor, and exporter of agricultural products. It competes with American agriculture in markets for livestock products, and at the same time constitutes one of the important outlets for American exports of grains, including flour, cotton, tobacco, fruits and fats. Horticultural exports are valuable. Belgium and Germany are the most important trading partners.
8. Agricultural policy. Netherlands agriculture is subject to a system of control, flexible enough for constant adjustment to changing external and internal conditions. The aim is to keep agriculture remunerative (in spite of the large number of small farms) through efficient production and low costs; to keep the price of foodstuffs relatively low; to reduce the need for imports, particularly of feedstuffs; and to provide occupation for a rapidly growing population. There has been a general relaxation of controls in recent years, but the legal basis and administrative framework for intervention still exists. In the current efforts to unify Belgian and Dutch farm policies within the Benelux Union, Belgium is adopting features of the Dutch system. The common Benelux tariff is low for most agricultural products.
9. Economic situation. The Netherlands economy has shown remarkable recovery and expansion since World War II. Industry and agriculture are operating at a high level of activity and the country has regained its position as a leading

nation in world trade. Foreign exchange position is strong. Due to great increase in imports from dollar area, Netherlands had large deficit in its dollar trade in 1955. Gold and dollar reserves nevertheless increased due to surplus in trade with European Payments Union countries, and inflow of dollar capital. Greatly dependent on foreign trade, Netherlands owes its present prosperity in part to general increase in economic activity in Western Europe.

10. Quantitative controls on U.S. agricultural products. In summer of 1954, Netherlands and Belgium published common list of commodities that could be imported free from quantitative controls from dollar area; agricultural products thus liberalized include, among others, cotton, tobacco, feed grains, canned fruits. It is claimed that Netherlands has now liberalized imports of farm products from dollar area to same extent as from countries belonging to the Organization for European Economic Cooperation, except for those U. S. products that enjoy an export subsidy. For some products not on the liberalized list, licenses may nevertheless be freely granted.

11. U. S. - Netherlands trade in 1954 and 1955.

Million Dollars

U. S. exports to Netherlands

U. S. imports from Netherlands

| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
|--------------------------|--------------|--------------|----------------------|--------------|--------------|
| Grains and preparations | 43.1 | 102.7 | Meat products | 35.2 | 25.2 |
| Cotton and linters | 21.8 | 10.2 | Nursery stock | 11.0 | 10.8 |
| Fats, oils, oilseeds | 110.7 | 74.5 | Cocoa and chocolate | 7.3 | 10.1 |
| Tobacco | 17.0 | 13.4 | Beer, wine, tea | 2.2 | 3.9 |
| Fruits, nuts, vegetables | 19.2 | 12.3 | Fats, oils, oilseeds | 3.2 | 3.6 |
| Other | <u>34.6</u> | <u>29.6</u> | Dairy products | 1.8 | 1.9 |
| | | | Other | <u>12.8</u> | <u>11.6</u> |
| Total agricultural | 246.4 | 242.7 | Total agricultural | 73.5 | 67.1 |
| Other | <u>167.8</u> | <u>229.4</u> | Other | <u>86.1</u> | <u>80.9</u> |
| Grand total | <u>414.2</u> | <u>472.1</u> | Grand total | <u>159.6</u> | <u>148.0</u> |

Norway

1. Farm population. Less than a fourth of total population of some 3,400,000.
2. Land use. Total area - 119,100 square miles - about twice the size of Florida. Agricultural area is less than 5 percent of the total; forests 24 percent; "other area" over 70 percent, mostly unproductive land. Of the agricultural area, grassland accounts for 74 percent.
3. Type of agriculture. Norway's mountainous topography and northerly location seriously limit agricultural pursuits. Its small agricultural area is primarily devoted to livestock farming. Most farms are small or medium-sized and farming is often combined with fishing or forestry. Considering the natural obstacles, mechanization is well advanced and Norway ranks high in the use of fertilizer.
4. Principal agricultural products. Dairying accounts for about 40 percent of total farm receipts; output of other livestock products is also important and covers domestic requirements. Potatoes are produced in sufficient quantity for domestic needs, but the country produces only about one-fifth of its breadgrain requirements.
5. Food consumption levels. About 3,000 calories per person per day, or about the same as prewar, with a high consumption of fish, milk and cheese.
6. Dependence on imports of agricultural products. Excluding marine oils, Norway's food output is only about half of its food requirements. Some 80 percent of all breadgrains consumed and all sugar, citrus and dried fruits are imported. Feed imports are large. For cotton and tobacco, Norway also depends entirely on imports.
7. Trade. Norway is greatly dependent on foreign trade. Shipping is an important foreign exchange earner. Pulp and paper, fish and marine oils, and base metals provide major exports; manufactures, fuels, and foodstuffs are major imports.
8. Agricultural policy. Norwegian agricultural policy aims at self-sufficiency in livestock products, and encouragement of output of products in deficit, especially grain. Price levels to be aimed at for a number of agricultural products are determined in negotiations between the government and the farmers' organizations, and are based on a specified desirable relation between estimated total returns and total costs. A government monopoly guarantees an outlet for all grain at fixed minimum prices and also handles grain and feed imports. Norway's import duties on agricultural products are rather high and quantitative controls strict.
9. Economic situation. The level of economic activity in Norway in late years has been high, with favorable conditions in most branches of trade and industry. However, over-investment and too liberal credit expansion in the recent past, leading to excessive imports, increased the pressure in 1954 on the always strained foreign payments balance. In early 1955 the Government took steps to correct this situation and curb inflation through restric-

tion of credit, tax increases, tighter import controls, etc., measures which had some favorable effect. An increase in the 1955 foreign trade deficit over that of 1954 was more than offset by increased earnings from shipping. Though still considered inadequate foreign exchange reserves increased in 1955.

10. Quantitative controls on U.S. agricultural products. All U.S. farm products are subject to quantitative control in Norway. Import licenses are granted on the basis of essentiality of the particular import. Considered luxuries, fruits have been severely restricted, while most of the cotton and tobacco consumed in Norway is obtained in the United States. In the spring of 1956 dollar exchange was allocated for the purchase of certain fresh and canned fruits from the United States for the first time since World War II. Price and quality as well as bilateral trade agreement commitments determine the extent to which grains will be purchased here.

11. U. S. - Norwegian trade in 1954 and 1955.

| <u>Million Dollars</u> | | | | | |
|--------------------------------|-------------|-------------|----------------------------------|-------------|-------------|
| <u>U. S. exports to Norway</u> | | | <u>U. S. imports from Norway</u> | | |
| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
| Grains and preparations | 11.0 | 17.2 | Cheese | .3 | .3 |
| Tobacco | 4.9 | 5.1 | Casein | .1 | .1 |
| Fats, oils, oilseeds | 2.4 | 3.6 | Bakery products | .1 | .1 |
| Fruits, nuts, vegetables | 2.8 | 2.6 | Other | .2 | .1 |
| Cotton and linters | 2.8 | 1.2 | | | |
| Others | 1.9 | 2.9 | | | |
| Total agricultural | 25.8 | 32.6 | Total agricultural | .7 | .6 |
| Other | 42.0 | 42.6 | Other | 56.8 | 61.1 |
| Grand total | 67.8 | 75.2 | Grand total | 57.5 | 61.7 |

Continental Portugal

1. Farm population. About half of total population of 8,300,000.
2. Land use. Total area 34,240 square miles, a little larger than that of Maine. Arable land about 40 percent of total area; 10 percent orchards and vineyards; 28 percent woodlands and forests (in part used also as pasture); 22 percent other land (in part pasture and rough grazings). Nearly three-fifths of arable land is in grains, one-fourth fallow.
3. Type of agriculture. Ranges from intensively cultivated small holdings with wide variety of crops, in the north, to the extensively cultivated large holdings of the south, in which grains and pulses are grown under dry farming conditions. Sheep and goats numerous as in other Mediterranean countries. Agricultural methods mostly primitive.
4. Principal agricultural products. Grains, olive oil, wine. Chief grains: wheat, corn and rye, all used as breadgrains. Livestock products account for only about one-third of total agricultural production.
5. Food consumption levels. About 2,400 calories per capita per day, low even for a European Mediterranean country, but somewhat above prewar. Low consumption of dairy products and meat, high consumption of fish, fruit and vegetables.
6. Dependence on imports of agricultural products. A little more than one-tenth of Portugal's food requirements imported in recent years, chiefly wheat, corn, sugar and oilseeds. Entirely dependent on imports for cotton and tobacco.
7. Trade. Main agricultural imports: cotton, sugar, wheat, oilseeds, coffee, tobacco. Only important agricultural export is wine; chief exports are cork and sardines.
8. Agricultural policy. Protective tariffs and quantitative import restrictions on many agricultural products. Imports of grains, sugar and meat are monopolized, and imports of several other agricultural commodities closely controlled by the competent corporative organizations. Imports from colonies receive preferential treatment. Producer prices for wheat fixed. Prices of a number of other products supported by organizations that are part of the corporative system into which all producers have been organized. At the same time, ceiling prices for a number of basic foods are in force. Government attempting to increase agricultural productivity through irrigation, reforestation, and internal resettlement programs, now under Six-Year Economic Development Plan begun in 1953, and expanded agricultural extension services.
9. Economic situation. With low productivity and modest resources at home, and with its colonies largely undeveloped, Portuguese economy can support only low standard of living. Within these limits, economic situation in Portugal on whole has developed favorably in recent years. Gold and dollar

reserves have increased substantially since middle of 1950. The government's 6-year economic development plan is exerting a favorable influence.

10. Quantitative controls on U.S. agricultural products. Only dollar agricultural products freed from exchange controls are wheat, tobacco, hops, live animals, certain relatively minor animal products and some canned foods. Moreover, imports of wheat and tobacco remain subject to direct or indirect monopoly control by government.

11. U. S. - Portuguese trade in 1954 and 1955.

Million Dollars

U. S. exports to Portugal

U. S. imports from Portugal

| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
|-------------------------|-------------|-------------|-----------------------|-------------|-------------|
| Grains and preparations | 2.8 | 2.3 | Wool | 1.3 | 1.2 |
| Tobacco | 2.7 | 2.4 | Wine | .7 | .6 |
| Other | <u>.1</u> | <u>2.4</u> | Olive oil | .3 | .3 |
| | | | Olives and dried figs | .3 | .3 |
| | | | Other | <u>.5</u> | <u>.6</u> |
| Total agricultural | 5.6 | 7.1 | Total agricultural | 3.1 | 3.0 |
| Other | <u>19.0</u> | <u>26.9</u> | Other | <u>24.0</u> | <u>24.8</u> |
| Grand total | <u>24.6</u> | <u>34.0</u> | Grand total | <u>27.1</u> | <u>27.8</u> |

Spain
(including Canary Islands)

1. Farm population. About one-half of total population of some 29,000,000.
2. Land use. Total area 194,200 square miles, about the size of Utah and Nevada combined. Thereof, in rough figures: arable land (including orchards, vineyards, and cultivated but not uncultivated fallow) 39 percent; permanent meadows and pastures, wooded and unwooded (including uncultivated fallow) 47 percent; other land (including forest not classified as wooded pasture) 14 percent. Grain covers nearly two-fifths of arable land, olive groves and vineyards nearly one-fifth, and cultivated fallow more than one-fourth. Nearly one-tenth of land in crops is irrigated.
3. Type of agriculture. Mediterranean, for most part. Extensive use of grain/fallow rotation, widespread cultivation of vines, olives, nuts, large numbers of sheep and goats. Large, often underdeveloped estates in central and southern Spain contrast sharply with the many small, commonly fragmented and often over-cultivated farms throughout the country. Farming methods generally primitive.
4. Principal agricultural products. Grains, tree and vine crops; livestock products relatively unimportant, judged by West European standards. Chief grains: wheat, barley. Chief fruits: olives for oil (Spain is world's largest producer); grapes for wine; oranges, Spain's most important export item.
5. Food consumption levels. About 2,500 calories per person per day for Spain, excluding Canary Islands, still about 8 percent below the average for the five years preceding Spain's Civil War. Diet poor in livestock products, rich in fruits and vegetables.
6. Dependence on imports of agricultural products. Self-sufficient in food in good crop years. Heavily dependent on imported cotton, though production increasing rapidly; by 1955 cotton output half as large as average annual imports in 1951-54. Tobacco imports two-fifths or more of total supplies.
7. Trade. Spain's major agricultural import is cotton; other important items include wheat (in poor crop years), coffee, tobacco. Chief agricultural exports are fruit and vegetables; oranges alone accounted for 15 percent of total exports in 1954, tomatoes, wine, olive oil, olives, bananas, and almonds for another 22 percent.
8. Agricultural policy. Strongly protectionist. High tariffs, quantitative restrictions, exchange regulations and bilateral trade agreements used to control imports and exports of agricultural products. Through a system of multiple exchange rates, that vary by commodity or groups of commodities, exports and imports are encouraged or discouraged, as seems desirable. Fixed farm prices for wheat, and no sales permitted except to National Wheat Service. Compulsory deliveries at low fixed prices for part of rice crop; rest can be sold on free market with government offering to buy at fixed minimum prices. Price supports also for other grains and dry legumes.

Oil olives and olive oil subject to government control, with guaranteed minimum prices. Sugar beet prices guaranteed, and production regulated. Tobacco and cotton production government-regulated and encouraged. Production of other fibers also encouraged. Long-term programs to raise agricultural productivity include land reclamation, irrigation and settlement, land consolidation, soil conservation, reforestation, and development of agricultural extension services.

9. Economic situation. Though greatly improved since 1950, Spain's economic position remains precarious. Earnings from exports not sufficient to pay for essential imports of foodstuffs, raw materials and fuels, plus industrial and agricultural equipment required to increase productivity and raise low living standard. Gap partly filled in recent years by sharply increasing tourist receipts, foreign credits, and, since 1953, U.S. aid, base-building, and sale of farm surpluses for pesetas. These softened impact on balance of payments of 1953 drought, which greatly increased wheat import requirements, and freezes of February 1954 and 1956, which hit exports mainly through damage to orange crop. Inflationary pressures becoming increasingly acute.

10. Quantitative controls on U.S. agricultural products. Import licenses and exchange permits required for all imports from all foreign countries alike. With foreign exchange so short, discrimination in granting licenses and permits arises primarily in connection with problem of financing imports. Trade and clearing agreements have facilitated, for example, importation of cotton from such countries as Egypt, Mexico and Brazil. Effects of dollar shortage on Spanish purchases of U.S. farm products have been alleviated by U.S. aid and sales for pesetas.

11. U. S. - Spanish trade in 1954 and 1955. 1/

Million Dollars

| <u>U. S. exports to Spain</u> | | | <u>U. S. imports from Spain</u> | | |
|-------------------------------|-------------|--------------|---------------------------------|-------------|-------------|
| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
| Cotton and linters | 21.1 | 45.7 | Olives | 20.2 | 21.1 |
| Grains and preparations | 29.2 | 4.0 | Olive oil | 7.3 | 5.3 |
| Tobacco | 2.1 | 3.5 | Wine | 2.3 | 2.5 |
| Fats, oils, oilseeds | .4 | 24.4 | Paprika | 2.1 | 2.4 |
| Other 2/ | <u>4.4</u> | <u>15.8</u> | Nuts | 1.4 | .6 |
| | | | Other | <u>1.9</u> | <u>3.2</u> |
| Total agricultural | 57.2 | 93.4 | Total agricultural | 35.2 | 35.1 |
| Other | <u>40.3</u> | <u>60.0</u> | Other | <u>29.6</u> | <u>23.7</u> |
| Grand total | <u>97.5</u> | <u>153.4</u> | Grand total | <u>64.8</u> | <u>58.8</u> |

1/ Not including trade with Canary Islands.

2/ Consists mostly of food for relief and charity.

1. Farm population. About one-fourth of total population of about 7,300,000.
2. Land use. Total area 158,400 square miles, about size of California. Of the total area, cultivated land is 9 percent; permanent grassland 3 percent; forest land 54 percent; other 34 percent.
3. Type of agriculture. Sweden, an industrial country with high standard of living, has well-developed, diversified agriculture. Grass is most important crop, and the highly developed dairy industry is most important single source of farm income. Mechanization made rapid advances in Sweden during and after the war, while labor force declined. The family farm prevails. Agricultural area of typical farm is not large but farming is frequently combined with forestry. Farmers are well organized, and their cooperative enterprises predominate in field of processing agricultural products.
4. Principal agricultural products. Dairy products rank first, followed by meat and eggs. Oats and fodder roots are important feed crops. Food crops include wheat, rye, potatoes, sugar beets. Oilseed production has developed during past decade from a negligible to an export crop, but is now somewhat below its maximum size.
5. Food consumption levels. About 3,100 calories per person per day, same as before the war. Composition good.
6. Dependence on imports of agricultural products. Sweden depends on imports for less than 10 percent of its food requirements. Wheat and butter are exported in substantial quantities in some years. All cotton and practically all tobacco are imported.
7. Trade. United Kingdom and West Germany are Sweden's largest suppliers and export markets, with Norway and United States next in importance. Most important exports are products of forestry industries, followed by metals. Fuels, agricultural products and textiles are important imports. For U. S. agricultural products Swedish market is of very moderate significance.
8. Agricultural policy. Sweden has a comprehensive agricultural policy, aiming at an income for farm population of same level as that of comparable non-farm groups through programs of modernization of agriculture and regulation of prices and at near self-sufficiency in food production. Since 1940 the goal in setting agricultural prices from year to year has been to maintain the relation between total farm income and total production costs that existed in 1938-39. In December 1955 a bill was passed - to take effect September 1, 1956 - which provides for a more flexible price policy. Domestic farm prices will be set for a 3-year period and permitted to fluctuate within certain limits. Present tariffs and variable import excise taxes will be replaced by new import excise taxes, also set for 3-year periods and designed to reconcile world market prices with the desired domestic prices. There will be no quantitative restrictions as long as prices move within the limits set. Present monopolistic import organizations will be abandoned.

9. Economic situation. The Swedish economy is operating at high level of activity, with high levels of income, investment and consumption, and a tight labor market. Fiscal and monetary steps were taken in early 1955 to curb inflationary tendencies. Despite a substantial import surplus during 1955, foreign exchange reserves remained stable and the share of gold and dollars in the total reserve increased.

10. Quantitative controls on U.S. agricultural products. The commodities subject to price regulations and centralized imports (i.e. breadgrains, meats, eggs, dairy products, fats, sugar and tobacco) are generally subject to control from whatever source imported. Other U.S. farm products are also subject to quantitative restrictions, unless specifically liberalized. Swedish dollar liberalization list of late 1954 included such important farm products as cotton, rice, dried and canned fruits, fruit juices, hides and skins. Tobacco, flaxseed, linseed oil and fresh fruits are on the so-called "transit" dollar list. For these commodities licenses are granted freely, when payment is made in "transit dollars," available at a premium of about 3 percent. Under the new legislation, outlined above under 8, U. S. agriculture will have access to the Swedish market on an equal footing with other countries.

11. U. S. - Swedish trade in 1954 and 1955.

Million Dollars

U. S. exports to Sweden

| | <u>1954</u> | <u>1955</u> |
|--------------------------|--------------|--------------|
| Cotton and linters | 10.7 | 4.3 |
| Tobacco | 7.5 | 8.2 |
| Fruits, nuts, vegetables | 8.3 | 10.6 |
| Fats, oils, oilseeds | 2.0 | .2 |
| Grains and preparations | .7 | 2.4 |
| Other | <u>.9</u> | <u>2.6</u> |
| Total agricultural | 30.1 | 28.3 |
| Other | <u>88.1</u> | <u>132.5</u> |
| Grand total | <u>118.2</u> | <u>160.8</u> |

U. S. imports from Sweden

| | <u>1954</u> | <u>1955</u> |
|-----------------------------|-------------|-------------|
| Fats and oils | .3 | .5 |
| Grains and preparations | .3 | .3 |
| Meat products | .3 | .1 |
| Vegetables and preparations | .2 | .1 |
| Dairy products | .1 | .1 |
| Other | <u>.1</u> | <u>.2</u> |
| Total agricultural | 1.3 | 1.3 |
| Other | <u>74.4</u> | <u>83.5</u> |
| Grand total | <u>75.7</u> | <u>84.8</u> |

Switzerland

1. Farm population. About 15 percent of total population of 4,900,000.
2. Land use. Total area 15,940 square miles, about twice the size of Massachusetts. Thereof: arable land 8 percent; permanent meadows and pastures 20 percent; alpine (rough) pastures 24 percent; forests 24 percent; other land 24 percent. Grain covers about 48 percent of the arable land.
3. Type of agriculture. Natural conditions in Switzerland favor grassland farming which takes form, primarily, of dairying. Farms are small and often fragmented, but well mechanized and fairly well fertilized.
4. Principal agricultural products. Dairy products are by far the most important source of farm income. Including beef produced, Swiss cattle account for 50 percent of total agricultural production. Hogs are next in importance. Livestock products, in all, account for three-fourths of Swiss agricultural output. Among other products, fruit and wine lead in value, followed by grains and vegetables. Wheat is the most important grain.
5. Consumption levels. About 3,100 calories per day, approximately same as prewar. Composition of diet among best in Europe.
6. Dependence on imports of agricultural products. About half of Switzerland's food requirements are secured by imports. All its cotton and most of its tobacco supplies are also purchased abroad.
7. Trade. Agricultural imports consist chiefly of grains, wool, cotton, tobacco, fruit and vegetables, and vegetable oils. Cheese is only agricultural export of importance.
8. Agricultural policy. Swiss agricultural policy aims at halting decline in farm population, and securing high degree of food self-sufficiency. This policy implies strong protection since costs of production are high. Tariffs on agricultural products are moderate. But the government has authority, which it uses, to limit imports of such products, levy supplementary duties, compel importers to buy surplus domestic products, and even embargo imports temporarily. With exception of bread grains, the import trade is left to private firms which are mostly organized in trade associations and which collaborate closely with government. Prices of breadgrains, potatoes, sugar beets, milk and other dairy products are fixed by government; those of many other agricultural products are directly or indirectly regulated by it.
9. Economic situation. The development of Swiss economy since the war has been less spectacular, but more regular and more balanced, than that of other European countries. Standard of living is among highest in Europe. Employment, output and national income have shown moderate but steady progress over the years. Switzerland's balance of payments remains favorable. Swiss gold and dollar reserves at end of 1955 amounted to over 100 percent of the value of its imports, and Swiss franc is one of strongest currencies in world.

10. Quantitative controls on U.S. agricultural products. Switzerland has no special currency restrictions on imports of agricultural or non-agricultural products from the dollar area, but, as already stated, imports of agricultural products are generally subject to stringent quantitative import controls in connection with domestic farm price support programs. These controls may be used as means of promoting Switzerland's trade with third countries and so may discriminate against imports from United States.

11. U. S. - Swiss trade in 1954 and 1955.

Million Dollars

U. S. exports to Switzerland

| | <u>1954</u> | <u>1955</u> |
|--------------------------|--------------|--------------|
| Grains and preparations | 2.7 | 6.8 |
| Tobacco | 8.5 | 7.9 |
| Fats, oils, oilseeds | 7.9 | 5.5 |
| Cotton and linters | 7.2 | 2.9 |
| Fruits, nuts, vegetables | 10.5 | 8.1 |
| Other | <u>4.5</u> | <u>5.7</u> |
| Total agricultural | 41.3 | 36.9 |
| Other | <u>109.1</u> | <u>123.8</u> |
| Grand total | <u>150.4</u> | <u>160.7</u> |

U. S. imports from Switzerland

| | <u>1954</u> | <u>1955</u> |
|---------------------------|--------------|--------------|
| Cheese | 6.5 | 6.7 |
| Drugs, herbs, etc. | 5.5 | 2.1 |
| Cocoa and chocolate | .2 | .5 |
| Bones, bristles, feathers | .2 | .3 |
| Other | <u>1.0</u> | <u>1.0</u> |
| Total agricultural | 13.4 | 10.6 |
| Other | <u>132.9</u> | <u>136.6</u> |
| Grand total | <u>146.3</u> | <u>147.2</u> |

United Kingdom

1. Farm population. About 5 percent of total population of 51,000,000.
2. Land use. Total area 94,200 square miles, or slightly less than the area of Oregon. Of the total, arable land accounts for 29 percent; permanent grass for 22 percent; rough grazings for 28 percent; forests for 6 percent; other land for 15 percent. Grain in 1955 covered 42 percent of arable land, temporary grass 35 percent.
3. Type of agriculture. Mainly combined livestock and crop farming. Emphasis is on dairying in many sections. British farms are fairly large in comparison with those of other European countries, well over half are operated by tenants, and the workers employed are nearly all hired labor. In the more productive areas, farming is highly mechanized.
4. Principal agricultural products. Meat animals brought in one-third of farm cash receipts in 1954-55, milk and dairy products one-fourth, poultry and eggs more than one-tenth. Milk marketed for fluid consumption primary product of dairying. Principal grains: oats, wheat, barley. Potatoes important chiefly for food. Sugar beets also an important food crop.
5. Food consumption levels. About 3,200 calories per person per day, slightly above prewar average. Milk consumption well above prewar and, with end of rationing in summer of 1954, meat consumption recovered to prewar level.
6. Dependence on imports of agricultural products. Imports provide a little less than two-thirds of the calorie value of food supplies, as compared with more than three-fourths before war. All supplies of cotton and tobacco are imported.
7. Trade. Imports consist mostly of food and raw materials, exports mostly of manufactures. Britain is world's largest importer of agricultural products. In 1955 about three-fifths of agricultural imports came from British Commonwealth, in same year United Kingdom ranked second among foreign buyers of U.S. farm products. Principal agricultural imports: wheat and other grains, wool, dairy products, tea, meat, oils and fats, cotton, rubber, tobacco.
8. Agricultural Policy. Protective of domestic and Commonwealth agriculture, the latter by preferential treatment of imports from Commonwealth. Government guarantees domestic farm prices, generally through a deficiency payment system, which permits free price formation in wholesale markets, for wheat, rye, barley, oats, potatoes, sugar beets, fat cattle, fat sheep and lambs, fat hogs, milk, eggs, and wool. It also makes various production grants and subsidies, notably subsidies on fertilizer and lime and on beef calves, bonuses for TB-free herds, and grants for plowing up grassland that has not been cultivated for three or more years. Consumer subsidy on bread, cut sharply in February 1956, will be eliminated effective September 1956; consumer subsidy on milk also cut sharply effective July 1956. Marketing of milk, wool, hops, potatoes, tomatoes, cucumbers, and hogs regulated in all or part of country by producer Marketing Boards with statutory powers. Sugar beets grown under contract with

British Sugar Corporation. Tariffs and some quantitative import restrictions are main form of protection for fruits and vegetables.

9. Economic situation. Britain's postwar economic history has been one of full employment and marked increases in production but also rising prices and periodic balance of payments crises. Inflationary pressures abated in 1952 and 1953, but began building up again toward end of 1954. In 1955, imports increased much more than exports, a development responsible in large part for drop in sterling area gold and dollar reserves by over one-fifth to \$2.1 billion at end of year. Monetary and fiscal measures adopted to check boom appear to be having some effect. Average monthly trade gap for first four months of 1956 smaller than year earlier, and by end of April gold and dollar reserves had increased to \$2.3 billion. But wage-price spiral and its effect on Britain's competitive position in world markets still causing concern.

10. Quantitative controls on U.S. agricultural products. Many farm products from the dollar area are still subject to strict license and exchange controls, among them fruit, meats, dairy products, eggs, and cottonseed oil. But dollar cotton, tallow, hides and skins may now be imported under open general license, while a number of other dollar products, including grains, tobacco, lard, vegetable oils except cottonseed oil, soybeans, and flaxseed, are admitted under open individual license. Open individual license gives freedom to import from dollar area without restriction for time being, but subject to individual importer licensing and recording; such imports are allowed until an unannounced global quota is surpassed.

11. U. S. - United Kingdom trade in 1954 and 1955.

| <u>Million Dollars</u> | | | | | |
|--|--------------|--------------|--|--------------|--------------|
| <u>U. S. exports to United Kingdom</u> | | | <u>U. S. imports from United Kingdom</u> | | |
| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
| Tobacco | 109.8 | 129.8 | Cocoa and chocolate | 5.6 | 9.9 |
| Cotton & linters | 92.5 | 43.4 | Wool | 1.8 | 3.5 |
| Grains and preparations | 82.6 | 112.3 | Fats and oils | 2.8 | 1.8 |
| Fats, oils, oilseeds | 38.3 | 40.8 | Live animals | 2.2 | 1.7 |
| Fruits, nuts, vegetables | 17.4 | 19.4 | Fruits and preparations | 1.2 | 1.0 |
| Other | <u>22.1</u> | <u>31.2</u> | Bakery products | .9 | 1.0 |
| | | | Hides and skins | .6 | .8 |
| | | | Other | <u>5.6</u> | <u>6.0</u> |
| Total agricultural | 362.7 | 376.9 | Total agricultural | 20.7 | 25.7 |
| Other | <u>318.8</u> | <u>538.3</u> | Other | <u>482.4</u> | <u>589.5</u> |
| Grand total | <u>681.5</u> | <u>915.2</u> | Grand total | <u>503.1</u> | <u>615.2</u> |

Yugoslavia

1. Farm population. Nearly two-thirds of total population of about 17,000,000.
2. Land use. Total area 99,000 square miles, slightly larger than Wyoming. Of total, arable land (including orchards and vineyards) is 32 percent; permanent meadows and pastures 25 percent; forests 31 percent; other land 12 percent.
3. Type of agriculture. Diversified, but with less emphasis on livestock than in most West European countries. Farms predominantly owner-operated, small in size, and fragmented. State farms occupy about 5 percent of the agricultural land, excluding pastures; collectives at their peak in 1951 occupied no more than 25 percent, and by the end of 1954, less than 3 percent of the agricultural land. Farming methods are primitive.
4. Principal agricultural products. Livestock and livestock products account for about half the value of agricultural production. Corn and wheat principal field crops. Prunes most important fruit crop. Hogs the chief meat animal. Sheep numerous; goats less than half of prewar.
5. Food consumption levels. Average for recent years slightly above prewar level of about 2,800 calories per person per day. Consumption of sugar and fats above prewar, but still low. Consumption of livestock products also low. Grains make up about 70 percent of calorie intake; wheat, since war, has replaced corn as most important food grain in diet.
6. Dependence on imports of agricultural products. Yugoslavia was net exporter of food before the war and in first post war years. During the 5 years ending 1954-55, however, net imports accounted for nearly 10 percent of calorie value of food supplies. Cotton supplies are nearly all imported. Tobacco exports exceed imports.
7. Trade. Before the war, Yugoslavia was a leading European exporter of corn and wheat and ranked first in Europe as exporter of hogs and prunes. Since 1950, Yugoslavia has not exported wheat, and corn exports have been well below the prewar average except in 1952, following unusually good crop of 1951. Exports of hogs and prunes have also been below prewar level, but Yugoslavia still Europe's largest exporter of prunes. Principal agricultural imports since 1950: wheat, cotton, fats and oils.
8. Agricultural policy. Complete socialization of peasant agriculture was main drive behind Yugoslavia's agricultural policy until 1951. It still remains aim, but forced collectivization abandoned to encourage production. All compulsory delivery quotas also abandoned by March 1953, the government adopting for breadgrains a system of voluntary contracting at prices more favorable than those fixed for sales to official or licensed agents; a contract system also used for sugar beets, tobacco, cotton, and other industrial crops. Recently, socialization of agriculture has been re-emphasized, with General Agricultural Cooperatives replacing Peasant Work Cooperatives (collectives) as means of attaining it. These cooperatives now have charge of contract system, and are exclusive buyers of all agricultural products; they also handle other

agricultural programs and policies at village level, including programs for use and distribution of fertilizers and machinery for which large increases planned. Farmers' taxes have been increased to spur productive effort on the land and to provide more funds for investments in agriculture, and movement of labor from rural areas has been halted.

9. Economic situation. Though agricultural production and exports have lagged, in part because of bad weather in 1950, 1952, and 1954, Yugoslav economy as a whole has made progress supported by aid from the west, mainly the United States. Following resumption of friendly relations with Soviets, agreements were made in late 1955, under which the Soviet Union is also giving Yugoslavia financial and technical assistance. Even so, need to import food as well as raw materials and equipment for industrial development puts heavy strain on balance of payments, which weakened again in 1955, with exports amounting to only 58 percent of imports, as compared with 71 percent in 1954.

10. Quantitative controls on U.S. agricultural products. Government in effect exercises monopoly control over most foreign trade with all countries. Since 1950 this control has not operated to discriminate against agricultural imports from the United States, most if not all of which have been financed through aid programs or sales for dinars.

11. U. S. - Yugoslav trade in 1954 and 1955.

| <u>Million Dollars</u> | | | | | |
|------------------------------------|-------------|--------------|--------------------------------------|-------------|-------------|
| <u>U. S. exports to Yugoslavia</u> | | | <u>U. S. imports from Yugoslavia</u> | | |
| | <u>1954</u> | <u>1955</u> | | <u>1954</u> | <u>1955</u> |
| Grains and preparations | 53.0 | 76.6 | Tobacco | 2.2 | 2.9 |
| Cotton and linters | 8.3 | 13.0 | Hops | 1.3 | 1.2 |
| Fats, oils, oilseeds | 6.9 | 4.9 | Sage, unground | .4 | .5 |
| Tobacco | .4 | nil | Wool | .7 | .3 |
| Other <u>1/</u> | <u>5.8</u> | <u>14.9</u> | Bristles, feathers | .2 | .3 |
| | | | Dried beet pulp | .5 | .1 |
| | | | Other | <u>.9</u> | <u>1.0</u> |
| Total agricultural | 74.4 | 109.4 | Total agricultural | 6.2 | 6.3 |
| Other | <u>25.2</u> | <u>21.3</u> | Other | <u>18.6</u> | <u>19.8</u> |
| Grand total | <u>99.6</u> | <u>130.7</u> | Grand total | <u>24.8</u> | <u>26.1</u> |

1/ In 1955 consisted mostly of food for relief and charity.

